

Message Text

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ACTION TRSE-00

INFO OCT-01 EA-06 ISO-00 NEA-09 IO-10 H-02 L-02 PA-01

PRS-01 USIA-06 SP-02 AID-05 EB-07 NSC-05 CIEP-01

SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2973

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TREASURY FOR COOPER

E.O. 11652: NA

TAGS: EAID, EFIN

SUBJECT: ADF REPLENISHMENT

1. PRESIDENT INOUE SENT FOLLOWING LETTER DATED
2 MAY, 1975 TO SECRETARY SIMON REGARDING ASIAN DEVELOPMENT
FUND REPLENISHMENT:

QUOTE:

DEAR MR. SECREATRY:

2. I WISH TO EXPRESS MY DEEP APPRECIATION FOR YOUR
PERSONAL PARTICIPATION IN THE EIGHT ANNUAL MEETING OF
THE BOARD OF GOVERNORS OF THE ASIAN DEVELOPMENT BANK,
AND TO TAKE THIS OCCASION TO THANK YOU ONCE AGAIN
FOR YOUR STRONG PERSONAL SUPPORT FOR BANK ACTIVITIES.
WE GREATLY APPRECIATE THE ACTION OF THE UNITED STATES
IN MAKING A SECOND \$50 MILLION CONTRIBUTION TO THE
ASIAN DEVELOPMENT FUND, AND IN UNDERTAKING THE FIRST
OF THEREE SUBSCRIPTION INSTALLMENTS TO THE BANK'S
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ORDINARY CAPITAL INCREASE.

3. WITH RESPECT TO BANK RESOURCES, I WOULD LIKE TO TELL YOU BRIEFLY THE RESULTS OF OUR PRELIMINARY MEETING ON REPLENISHMENT OF THE ASIAN DEVELOPMENT FUND, WHICH TOOK PLACE AT THE BANK'S HEADQUARTERS ON FRIDAY AFTERNOON, 25 APRIL. I RELIZE THAT YOU WILL HAVE BEEN INFORMED ABOUT THAT MEETING BY MEMBERS OF YOUR OWN STAFF, BUT I SHOULD, NONETHELESS, DRAW YOUR ATTENTION TO A FEW IMPORTANT CONSIDERATIONS EMERGING FROM THE DISCUSSIONS.

4. FIRST OF ALL, THE DONORS ATTENDING THE MEETING GENRALLY EXPRESSED STRONG SUPPORT FOR THE REPLENISHMENT EFFORT ITSELF WHICH IS AIMED AT MEETING THE EREQUIREMENTS OF THE BANK FOR CONCESSIONAL LENDING IN A THREE-YEAR PERIOD 1976 THROUGH 1978. AUSTRALIA, CANADA AND SOME EUROPEAN COUNTRIES (IN PARTICULAR THE UNITED KINGDOM) SPECIFICALLY ENDORSED THE \$1 BILLION TARGET AS WELL AS THEIR IMPLIED SHARES OF THE TARGET AMOUNT. JAPAN, ALTHOUGH INDICATING SOME RESERVATION ABOUT THE SIZE OF THE TARGET AMOUNT, ANNOUNCED ITS WILLINGNESS TO PROVIDE ONE-THIRD OF THE AMOUNT EVENTUALLY AGREED FOR DEVELOPED MEMBER COUNTRIES. THE FEDERAL REPUBLIC OF GERMANY INDICATED THAT INTERNAL STEPS WERE ALREADY IN PROCESS TO CONTRIBUTE AN AMOUNT 50 PERCENT GREATER THAN ITS EARLIER ADF CONTRIBUTION, SUBJECT HOWEVER TO THE OUTCOME OF FUTURE DISCUSSIONS. QUITE FRANKLY, I HAD NOT EXPECTED THAT ANY DONOR WOULD BE IN A POSITION TO COMMENT QUITE SO EXPLICITLY. I AM PLEASED AND ENCOURAGED BY THE COLLECTIVE RESPONSES OF DONORS TO THE BANK'S PROPOSALS.

5. WE ARE NOW LOOKING FORWARD TO A SECOND MEETING, SCHEDULED FOR 24 AND 25 JUNE IN EITHER GENEVA OR ZURICH. WE HOPE THAT, AT THAT TIME, ALL DONORS WILL BE IN A POSITION TO MAKE STATEMENTS REGARDING THEIR PARTICIPATION IN THE REPLENISHMENT WHICH ARE BOTH SPECIFIC AND RESPONSIVE TO THE BANK'S PROPOSALS.

6. IN THIS CONNECTION, MR. SECRETARY, I WISH TO DRAW LIMITED OFFICIAL USE

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YOUR SYMPATHETIC ATTENTION TO THE CRITICAL SIGNIFICANCE OF THE POSITION AND ROLE OF THE UNITED STATES, IN DETERMINING WHETHRE THE SECOND DONORS' MEETING, AND IN DUE COURSE THE WHOLE REPLENSIHMENT EFFORT, IS GOING TO BE SUCCESSFUL. IF DURING THE MEETING THE EXECUTIVE BRANCH IS ABLE TO GIVE ITS BROAD SUPPORT TO THE PROPOSED PROGRAMME OF REPLENISHMENT AND A REASONABLY FIRM INDICATION OF THE AMOUNT OF FUNDS

WHICH IT IS PREPARED TO SEEK FROM CONGRESS FOR THE REPLENISHMENT PERIOD, I ANTICIPATE THAT AN EARLY AGREEMENT COULD BE REACHED ON THE SIZE OF, AND RELATIVE SHARES IN, THE REPLENISHMENT.

7. CONSEQUENTLY, I SINCERELY HOPE THAT THE TREASURY DEPARTMENT WILL FIND IT POSSIBLE TO UNDERTAKE APPROPRIATE CONSULTATIONS WITH CONGRESS, SO THAT WE CAN LOOK FORWARD TO A POSITIVE AND SUCCESSFUL CONCLUSION TO OUR SECOND DONORS' MEETING IN LATE JUNE. I FULLY APPROPRIATE THE DIFFICULTIES INVOLVED IN APPROACHING CONGRESS UNDER CURRENT CIRCUMSTANCES. I CAN ASSURE YOU, HOWEVER, THAT THE ASIAN DEVELOPMENT BANK, AND PARTICULARLY ITS DEVELOPING MEMBER COUNTRIES, WILL BE GRATEFUL FOR THE SUPPORT AND ASSISTANCE OF THE UNITED STATES, WHICH IS SO ESSENTIAL FOR AN EFFECTIVE REPLENISHMENT OF THE ASIAN DEVELOPMENT FUND.

8. INCLOSING, I WISH TO EXPRESS AGAIN MY PERSONAL GRATITUDE TO YOU FOR ATTENDING AND PARTICIPATING IN OUR ANNUAL MEETING. I WAS A PLEASURE FOR ME TO MEET AND CONSULT WITH YOU IN MANILA, AND I LOOK FORWARD TO AN EARLY OCCASION WHEN WE CAN MEET AGAIN.
WITH BEST WISHES,
SINCERELY YOURS,
SHIRO INOUE
END QUOTE
SULLIVAN

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